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If We Are to Get the Bright New Shiny World that We Are Supposed to Get at the End of This War Under a Continued System of Private Enterprise Industrial Executives Will Have to Broaden Their Thinking Considerably.

Executive Responsibility War *and* Post-war

By G. L. Wood
University of Melbourne
Australia

As the result of thought and discussion about reconstruction plans extending over many months, certain probablities have begun to take shape as to the problems which will confront industry in the post-war period. These problems will have to be faced by executives who must know what to expect, and must train for it. It is so easy to produce ideal blue prints and to forget the dependence of the best plans upon the actual men who will have to direct the reconstruction and, execute the details.

Continued Government Control Anticipated

To an increasing extent the industrial executive must plan and execute against a background of knowledge which can be acquired only by much study and observation outside the actual technical field. It is too common to find the technician who knows everything about a particular industry, but understands nothing about the national economy into which his industry must fit. In the near future he must know and appreciate the social and psychological changes which will be connected with the great shift from war industry to peace industry; and, in particular he must realise that the great necessity of the transition period will be to maintain employment at a high level while most complex readjustments are being made, probably under continuous government control.

This will be an unprecedented ordeal which will call for the maximum of patience, understanding, and cooperation between political and industrial executives. The diversion of resources to war production and all the irritations and exasperations

of restricted freedom of action associated with it will, at least, have provided some training, particularly in the mistakes to be avoided when the process is reversed. I believe that both in a social and an economic sense we can never travel back along the road to *Status Quo*. Every manager would be well advised to inscribe above the portals of his consciousness, "Ye have not passed this way heretofore"; and, to the extent that we take thought for these problems before they arise, we shall be reducing the element of surprise in the impact of new conditions, and so preventing a loss of efficiency.

Two Angles

TO FORECAST and examine the post-war task for the executive, it will be useful to project the industrial future from two angles:

(a) The broad over-all problem of kinds and quantity of production needed.

(b) The co-ordination of production in the transition period.

As I see it, the special abilities and foresight we shall need to develop before the war ends and in anticipation of peace-time adjustments can best be realised from analysis which does not become bogged down in detail, but yet is as precise as foresight can make it. You will realise I am not offering a plan for post-war industry, hence I have no responsibility for supplying details of anything but the type of training that we should now be planning for our younger executives. Nor am I interested in political problems, since the executive must function, irrespective of whether Government or private enterprise runs the industry.

The Character of Post-war Production

THE Commonwealth Government is now spending at the rate of over £40,000,000 per month on war. In 1942–43 we shall be spending at least 40 per cent of our national income, or about £450,000,000 a year, on war. By the end of 1942 we shall probably have in the fighting forces or working directly on war production about 50 per cent of our working population. It is probable that we shall have to find new gainful occupation for probably 500,000 people when the war ends. Reorganisation of industry for war completely distorts the normal economy. Under government pressure it diverts resources of manpower, machines, materials, and management to the production of new kinds of goods which are of little use for peace-time consumption.

The Government is forced to use the special skills of managers and workers engaged in private enterprise; and the requirements of the production programme are decided by the main buyer—the Government. The Government, in effect, also becomes the dictator of distribution, since the market is fixed before production begins; and, until the war ends, that market is insatiable. Production is directed through priority orders, rationing, import procurement, and credit and investment

control towards the objective for which industry has been reorganised—the waging of war.

When peace comes, the market for this war production disappears because the Government is no longer demanding war goods. Substitute employment on an enormous scale will need to be provided for men, machines, and materials. It will be said that a great new demand for civilian goods will arise, and that great new public needs represented by rebuilding of war areas, overtaking deferred maintenance, and renewal of worn out and obsolescent plant will provide a great clamant new market. That will be true under four conditions:—

(a) If the disemployed have new jobs and continuous purchasing power found for them as war work ceases;
(b) If the Government has its "public investment" plans ready to swing into action;
(c) If the reserves of business concerns have been maintained at an adequate level; and enables
(d) Private investment again to become vigorous.

Economic and Political Uncertainty

THIS war-to-peace shift will assume a magnitude beyond anything in human experience. Every business knows this and is preparing mentally, if not physically and financially, for the change. The great difficulty is to work out in advance the speed of the change, and to predict as precisely as possible the kinds and quantity of the new production which will then be needed. It may be true, as one of my valued engineer critics suggests, that business will not have to predict the kinds and quantity of production needed after the war; and that it will no longer be possible for individuals or businesses to switch credit at will from one form of production to another. Whether that is so or not, the executive will have to forecast the new pattern of demand for the products of his own industry, and to make the switch under conditions of great political and economic uncertainty.

Researches under Way

IN ANTICIPATION of the change, much quiet investigation is already taking place, but not nearly enough. The Federal Government, through the Department of Labour and National Service, has created a Reconstruction Division which has organised a series of research projects administered by the Universities in an attempt to find the facts of wartime social and economic conditions as a preliminary to making the political blue prints for the change. A Cabinet Committee on Reconstruction has been appointed.

Under great difficulties of obtaining personnel, the Universities are investigating more than forty different aspects of the reconstruction problem, from social surveys of cities and rural areas to post-war trade policy and soldier settlement. Federal

and State Governments are also organising investigations into the technical and administrative problems which will face the departments. In addition, some institutes, such as the Australian Institute of International Affairs, Agricultural Societies, and the Economic Society of Australia and New Zealand, are conducting group research into special problems.

Atmosphere of Criticism

I HAVE referred to the great social, political and economic importance of maintaining full employment in the post-war transition period. This problem, in the opinion of most forward-thinking executives will dominate all others; but I am forced to wonder if we have any adequate conception of the complexity of the task. As a result of our experience in transferring resources to war purposes we can appreciate the time lag involved in blue-printing and getting into full production; but do we realise that the speed of that shift to war industry must be greatly accelerated when we reorganise industry for peacetime production? The pressure upon executives and the need for foresight, imagination and organising ability cannot be over emphasised.

Executives will, moreover, work in an atmosphere of criticism untempered by the patriotic restraints of wartime. They will be required to plan under conditions of political instability due to irresistible demands for a new kind of industrial organisation and an unrealisable degree of stability and security. If they have little leisure or opportunity to forecast now, they will have even less when the day of peace arrives.

Let me elaborate some of the other problems the executive will face—problems associated with this necessity for maintaining employment. Classification of industries that are essential for the reorganisation programme will almost certainly be necessary; and the criteria will be capacity to absorb labour, capacity to use materials which are not in short supply, and ability to adapt production rapidly to new needs. This will almost certainly involve declaration of a system of priorities different from that of wartime.

A balance will have to be struck between production of consumer goods—especially of durable consumer goods—and production of new equipment necessary to produce those goods. Price regulation and rationing will be necessary features of the new control, if economic dislocation is to be avoided. Public works may, as in war, have to be given first preference for labour and materials.

Economic Ineptitude

THE war organisation of industry will have revealed many of the redundancies in the old system of production, many peace-time economic "habits" which we accepted without protest, and many "services" which did nothing but add unnecessarily to the cost of supply. They were mainly the result of unrestricted com-

petition, and they are more or less rapidly being eliminated by the need for using manpower, materials and equipment economically. Standardisation of processes and products is occurring all along the line. How much will we necessarily retain of war-time standardisation?

Rationalisation of distribution has not yet reduced costs to the consumer, which is simple economic ineptitude. Shall we reinstate all the redundant distribution services merely to afford employment? Restriction of unnecessary advertising and printing is widely admitted by many businesses to be a happy release during the war. Shall we permit a more intensive wastage and the consequent uglification of our cities and countryside merely to provide jobs, or will business have to accept a new form of discipline which would prove as beneficial in peace as in war? Who knows? But the executive will need to begin thinking about these problems.

Co-ordination of Post-war Production

THERE are, unfortunately, grave doubts about our preparation for the transition. The first concerns the co-ordination of all investigations; the second concerns the preparedness of the public mind for the change-over; and the third concerns the adequacy of technical and managerial research in particular businesses—perhaps the most serious of all. Given the conviction that there is a real danger of losing the peace because of civil confusion, few will dispute either the need for co-ordinating all reconstruction research, or the importance of continuous investigation into post-war possibilities even while we are fighting for our existence.

A quiet selective service on all phases of this problem is urgently needed to keep executives informed through progress reports about these enquiries. Information and ideas could be pooled without holding spectacular and unnecessary conferences. The marshalling and co-ordinating of ideas as a basis for policy seems to be a prime need.

To prepare the people for the change is a more difficult problem. We dare not distract attention and energy from the war effort; but the people must be made aware of the extent and nature of the coming change, and must be informed about the need for political patience and understanding. Any post-war Government will need unlimited assistance of two kinds—first, from business executives who can only co-operate if they understand and endorse the Government programme, and, secondly, from the people who cannot be expected to be patient and co-operative unless they realise the difficulties of the change from war to peace.

Berle's Ideas

ON THE industrial side we shall finish the war with a greatly expanded plant designed to produce war equipment and munitions. The technical problems of beating swords into plough-shares are not as great as the difficulty of deciding what swords are to be scrapped and what kinds of plough-shares will be needed.

The transformation of military production into peace production will still involve priorities—what needs must be met, and in what order. Despite all the experience of war organisation of industry, the relativity of different needs will be a continuing difficulty for both statesmen and business executives.

Technically, of course, there is little to worry about. As Berle puts it, "The engineers who adapted civil plants into munition producers are quite able to change these plants back according to any reasonable specifications that may be given." He assumes that the management of every munitions plant has somewhere in its organisation a research staff investigating what the plant can be most usefully changed into after the war. He declares that re-adaptation of peace-time production on the technical side must be solved in research laboratories and drafting rooms of industrial plants, and suggests that pooling of ideas, exchange of notes, and complete co-ordination of plans is indispensable.

Berle declares that any business concerned with war production which is not devoting attention to the changes which will face it when peace arrives is negligent, and that this negligence will be an economic crime if it continues. I won't enlarge on this, but I would suggest that the economic crime potential in Australia must be high.

May I push this problem of the post-war executive a little further. A production programme has two sides—what? and how much? The market has to be found for the products, and some regulation will doubtless be necessary to put first needs first, unless private enterprise can find its own methods and its own markets. Production will not run far ahead of demand for goods that are actually needed and for which the effective purchasing power exists. It will be necessary to predict the extent of these legitimate needs, to determine the demand for producers' and consumers' goods needed at the same moment, and to divert resources to these in the correct proportion.

Pre-war wants will not necessarily be a guide to post-war wants; and so the co-operation of executives as a number of commanders co-ordinating their resources for an attack on the widest national front will be essential. Co-operation rather than unrestrained competition, and continued control rather than industrial freedom of action, impress me as the inevitable course of action.

Industry and Government Control

The problem of post-war industrial planning boils down, therefore, not so much to the volume and kind of production, as to its distribution. The reconstruction of markets and the maintenance of purchasing power will be the main concern of the government and of industry. The means by which employment can be stabilised at a high level and purchasing power provided for the demobilized fighting forces and munition workers cannot be considered here. That is a problem of national and international economic policy; and I will not pursue it further than to say that a

great programme of public and private investment will be indispensable for absorbing disemployed men and women back into civilian production.

Two other general comments remain. These concern the instability of business and the probable persistence of government controls. The assumption that post-war industry will be highly unstable if left to work out its own salvation will not be seriously contested. Modern industrial economy is not only amazingly productive, but it is also extremely unstable, mainly because it is so productive. Demand is based on an almost infinite series of choices in the outlay of consumers' incomes, and supply is based upon an almost infinite series of profit and loss expectations in the minds of the producer executives.

As a result, the more highly developed a society, the more frequent the miscalculations and the greater and industrial fluctuations that are probable. Moreover, durable consumer goods, i.e., those with an effective life of three years or more, form an increasingly important part of modern demand, and because their purchase is so affected by prosperity or depression the total demand for these key commodities may swing violently. But the capital equipment for producing these goods must also bulk largely in the total industrial output, and the demand for equipment varies with the demand for the goods it produces, although not so violently.

Violent Fluctuations

These conditions are, of course, all exaggerated under changing social and political conditions. This brings us to the second point—the persistence of government controls. We have here to take account of the dangers of any sudden end of wartime regulation of industry. If it were possible to throw the whole responsibility of readjustment upon private enterprise the result could only be confusion. There would be no security, no datum line from which to commence rebuilding, no guarantee of continued demand for the products of industry. If, as a result of the confusion, there were economic collapse, the only remedy would be a resort to most drastic forms of State control.

The method we should prepare for is a compromise between State control and free enterprise in which the task of government would be to maintain stability within which enterprise could work. The outstanding lesson of the last decade is that, in economic emergency, State regulation is necessary to keep the economic system balanced and working. Free enterprise can never again mean a system in which government interference is abolished. State regulation, in short, is needed to save free enterprise from itself. Industry must concede government the means of controlling violent fluctations rather than mere last-minute powers to save the situation in a crisis. For preventive action, the State must have the instruments for maintaining an expanding economy.

I hope I have made clear my conviction that the post-war situation will bring a new order of problems for the executive, that he will need to train his thinking

for that ordeal, and that planning will involve co-operation between government and industry for the purpose of restoring the efficiency of private enterprise.

Effects of War upon Industry

This outline of the conditions within which our executive is likely to have to work in the transition has taken some time to sketch, but the sketch is fundamental for our purpose. If it is true, it is all that is really needed for a general appreciation of the situation and for discussion of the economic strategy which will be required of executives. But the tactics to be employed have still to be discussed. These will vary from industry to industry and it is impossible to draft a field manual which will indicate more than some typical problems, such as obsolescence, and what, for want of a better name, we may call industrial decrepitude.

In an able analysis George Terburgh says, "The war itself will have stimulated obsolescence." War forces industry under intense pressure to develop new techniques, to employ new materials, and to turn out new products. Invention and substitution are never so active as during war; scientific research, paradoxically enough, is never so vigorous; adaptation and reconditioning are never so pervasive. "War shakes producers forcibly out of their customary ruts, and compels them to develop versatility and originality to a degree unknown in time of peace.

The resulting adaptability in productive organisation should be a definite asset in the adjustment to post-war conditions, and should accelerate the advance of the general level of production technology. If we wish to secure the demobilisation of the war economy with the least possible distress and disruption, it is eminently desirable that this work continue. The post-war stocks of durable goods should be made as nearly obsolete as possible. Given a continuation of progress in peacetime technology, and a suspension during the war of the incorporation of this progress into the existing stock of durable goods, we will have, when peace comes, an extraordinary disparity between what the nation then has and what it can buy in its stead, a disparity that will help to ensure the vitality of the heavy industries during the difficult period of readjustment." (Terborgh.)

Foresight and Routine

The pattern of the special skill which society will require from its post-war executives emerges from this analysis. The executive must see industrial change in a framework of social change. But, while the inventor and the planner go up in the lift, the ordinary man lags behind on the staircase. Industrial progress outraces social ideas. Under such conditions frictionless operation of industry becomes impossible. Hence it is not so much mechanical problems as the problems of human relations that will bother the executive. For him social foresight is indispensable. We have seen that the executive must become both a prophet and a planner.

Alfred North Whitehead, Professor of Philosophy at Harvard, says, "Foresight

depends upon understanding. In practical affairs, it is a habit elicited by the habit of understanding; and, to a large extent, understanding can be acquired by conscious effort and it can be taught." The field which must be understood is the entire functioning of human society and the human reactions to economic change. Understanding of this kind belongs, of course, only to supermen; but no part of the range is entirely foreign to training for foresight in industry.

Further, says Whitehead: "Routine is the god of every social system; it is the seventh heaven of business, the essential component in the success of every factory, the ideal of every statesman." But, when the routine is established, intelligence vanishes, and the system, like marriage, is maintained by a co-ordination of conditioned reflexes, which are the same thing as involuntary defensive movements. The inspired offensive gives way to a "safety-first" defensive, to preserve assets, to maintain an existing situation, and to protect the shareholders' dividends.

This glorification of routine is too frequently the goal and mark of the successful executive; but it must be displaced by something more positive and aggressive. To master a technique, and to enshrine the status quo, is merely to come upright like a weighted doll after every pushover; but it is not advance.

The Only Certainty

To-day our executive requires a vision that is developed from social understanding, a training that is built on problems and not on routine. The only certainty is that the future will be uncertain and novel, and routine is not the proper training for that prospect. We shall be faced with a situation as fluid and shifting as a battle in the air, and training for quick decisions is the only effective plan. Rigid maxims, rule of thumb routine, and cast-iron doctrines have ruined many generals, as they will assuredly ruin many industrial executives.

To acquire the foresight which is vital for successful administration, our executive, then, will need an almost instinctive grasp of social and political trends. Business cannot be prosperous when large sections of the people are unemployed; and so the executive must understand the causes of crisis and unemployment. "A great society," says Whitehead, "is a society in which its men of business think greatly of their function and of their social responsibility." My engineer critic declares that by far the greatest need in future executives will be integrity and the ability to think clearly and resist the temptations which the economic system offers. Such resistance requires non-economic motives.

On this point, one of the dangers I sense is the invitation held out for a further extension of government control by "outlaw" employers who will not observe loyally agreements reached with labour or governments or other firms in the industry. These provocative tactics during times of rapid change are a positive danger, because they challenge both the authority of the Government and the authority of associations of employers. Somehow, industry itself must control the outlaw who

will not or cannot be brought to see that the interests of his own concern must harmonise with general policy.

The Essentials of Training

You may protest that this is pitched on an impossibly high note for the bass voice of business, but in your serious thinking, you know that I am right and that the new executive must disown the compulsion of mere tradition. He must acquire a new vision and a new technique of administration. How shall he do this? The approach is this, I think. An economic system can only be regarded as efficient when it produces and distributes the maximum amount of necessary and desirable goods and services, with the minimum of effort and sacrifice. For the engineer, the scientist, and the economist, that is the only approach to our greatest problem of administration.

The executive of the future will have to be a scientist in this sense—that he plans, first, to bring to his community the benefits of industrial technique, and, second, but only second, to bring to his shareholders the rewards of enterprise. All this constitutes a tremendous challenge to managerial efficiency.

Our super-executive, then, must be trained not merely to administer his own unit, plant, or industry, but to realise the social significance of what he is doing. He must understand how his production programme is "geared in" with the production programme for the economy as a whole. That is what economic planning means in terms of the executive's work. And this understanding will never come from mere technical study and practice; it will call for knowledge of the economic system as a whole.

Planned employment on the national scale, reduction of distribution costs, technical improvement of output, a new emphasis on goods and services which were previously left to State enterprise because there was little profit to be made, e.g., education, industrial welfare lifted from the category of employers "clever stuff" to a service which employers must provide before they are licensed to produce, profits regulated by national service performed in absorbing labour—these are the changes that are looming in the industrial field.

Executives Must Have University Training

Economists have been wrestling with the causes of economic fluctuations for decades. Their conclusions have been scoffed at by industrialists who would not take time to study the reasons for the instability which accompanied economic progress. The executive of the future will have studied the theory as well as the practice of industrial organisation, and will have made time to study the dynamics of the world economy as well as the mechanics of his industry. For that training I say quite modestly he must take a university course because there is no other place

where specialised knowledge can be built into a synthesis, and where mental disciplines can be undertaken as a system.

As I have stressed earlier, the problems I have mentioned will demand a new sense of social responsibility in those controlling industry, and acceptance of a theory of trusteeship that goes far beyond the mere provision of employment. By implication, too, they will need a new understanding of the function of industry in both people and politicians. Looking at recent and current developments I am frankly a pessimist because only in a few large industries can I detect the beginnings of a trustee psychology, and seldom in Parliament do I descry any realisation of the functional importance of industry in modern civilisation, or of the problems with which technological progress has afflicted modern society.

Industry Does Not Realize Its Own Need

At this moment industrial organisation, i.e., the science of management, should be the main study of the business executive; but where in Australia can he make more than the mere beginnings of such a study? Industrial Organisation, which should have a Chair of its own, and a post-graduate school in at least one of our "tenpenny" universities, is a mere subject among a dozen others for the Degree of Commerce at the University of Melbourne. Would the medical world, the legal profession, architects, be content with such elementary training. Even there, however, the embryo executive is not conspicuous. The fault lies, of course, not with the universities, but with industry itself—which has not realised its own need.

This training in industrial organisation should be based on two or three years' study of economic theory leading up to the dynamics of economics which I have mentioned. In such a course the executive trainee would at least become acquainted with the disequilibria which characterise modern production and distribution, and with the relations between international trade and national prosperity. That would not guarantee either that he would ultimately become a first-class executive or that he would know all the answers to the problems of any particular industry, but he would, at least, have acquired a habit of systematic study imposed by a continuous mental discipline rather than an experience built on the vicissitudes of a particular industry.

Time Out for Study

But, as far as I can foresee, post-war industry will be controlled by executives who have been so hard pushed by the problems of the Great Depression, and the Great War, that they have had neither leisure nor opportunity to study systematically the economic and social trends of our time, or the probable industrial pattern of the future. Their only excursions outside their specialised activities are discussions round the club table or the headlined unsystematic treatment of current

discussions in the press or magazine digests. That limitation upon intelligent anticipation is fatal and something must be done about it.

Industry itself, must provide testing grounds for would-be executives. It must promote discussion groups, study circles, case-study classes, operating under the supervision of the most efficient mental irritators. Every business must have its staff class and its regular problems. Lastly there must be training in the co-ordination of all departments. Co-operative team-work among executives must be the rule and not the exception. Industry cannot afford to neglect this training, or we shall get a short-sighted business administration which will help to destroy the sources of its own prosperity.

Poetry for Executives

IT REQUIRES some courage to quote poetry to executives; but I can't forbear giving you an excerpt from Bridges' Testament of Beauty:

> "We sail a changeful sea through halcyon days and storm,
> And when the ship laboureth our steadfast purpose
> Trembles like as the compass in a binnacle.
> Our stability is but balance, and wisdom lies
> In masterful administration of the unforeseen."

From an address given to the Institute of Industrial Management, Melbourne, Australia.

Temperament May be Considered to be a Person's Disposition to React to Life Situations; or, in other words, His Behavior Tendencies. It does not have the Same Meaning as Personality; Since the Latter Includes also Intelligence, Skill, Health, and other Characteristics.

Temperament *in* Industry

By D. G. Humm and G. W. Wadsworth, Jr.
Los Angeles, Calif.

When workers are scarce, good selection becomes more important. When the labor market is culled over, many unemployed are unemployable. As a result better selection is needed; since there is no profit in crowding the intake merely to clog the discharge outlet. When workers are hard to find, some personnel men loudly proclaim they will take anyone who can get to the personnel office under his own power—but will they? Will they, for example, take a drug addict, or a criminal, or a crazy man?

Utilizing Workers Demands Understanding Them

Even the handicapped can be used, if they are understood, properly placed, and properly supervised. But this requires even better methods of employee appraisal than ordinary.

Such methods have been used in the program suggested here. It has proved very effective. The personnel office examines the worker by means of tests and other objective procedures, determines his assets and liabilities, and passes these on in simple, non-technical language to his superior with suggestions as how to handle him.

The results have been gratifying:

1. Training needs are lessened;
2. Workers get along better;
3. Absenteeism is cut;
4. Turnover—especially discharge turnover—is decreased;
5. Production is uninterrupted.

This program, carefully planned, takes no more time or expense than the ordinary hiring interview. Testing methods are wholesale methods. Hundreds can be handled at once, if necessary. There are no long lines of restless applicants waiting with nothing to do. Nor is there any waiting for an answer, since tests can be scored continuously as they are being taken.

Disturbed and pressing situations demand better methods—not worse ones. Now is the time to keep the unemployables, the slackers, and the saboteurs out of the work-shop and factory. It is also the time to utilize every worker possible, handicapped or not handicapped, by utilizing understanding to place him well and handle him well.

Humm-Wadsworth Scale

THIS explains the place of the Humm-Wadsworth Temperament Scale in a selection program.

Such programs should be complete and well organized; failure to consider any important characteristic of the worker may result in poor selection. The use of a single test, or a single battery of tests, or, indeed, tests alone is not recommended, since job specifications are neither simple nor uniform.

Thus we discuss a program which is thorough, variable in accordance with the needs of the job, economical to use, and swift to apply.

In particular we show how the Temperament Scale aids in determining the worker's ability to adjust to the job; how well he will apply himself to production, how well he will get along with others.

A knowledge of temperament will predict behavior, and often will forestall undesirable behavior through an understanding of unfortunate tendencies.

Temperament in Industry

TEMPERAMENT may be considered to be a person's disposition to react to life situations; or, in others, his behavior tendencies. It does not have exactly the same meaning as personality; since the latter includes, not only temperament, but also intelligence, skill, health, and all the other individual characteristics.

The habitual tendency to react to any given situation in the same manner is called a trait. Thus, a person's temperament may also be defined as his pattern of traits.

During the last 70 years psychiatrists have learned that these trait patterns take definite form both in normal and abnormal subjects. As a result it is possible to identify simple and complex patterns and thus predict behavior. Simple patterns of traits are called components of temperament.

Why Employees Fail

TEMPERAMENT is important *to the company* for the reason that it has to do with an employee's ability to apply himself to his job, and to make a good personal adjustment to his working environment.

It has little relation to skill, aptitude, or to intelligence; but great relation to the *ability to apply* skill, aptitude, or intelligence.

A study of the personnel of a large public service organization indicated that the principal causes of failure in its problem employees were:

80%, handicaps of temperament.
6% each, (approximately), insufficient skill, too high or too low intelligence, lack of physical fitness.
2%, miscellaneous reasons.

These findings have since been corroborated by other studies.

The Humm-Wadsworth Temperament Scale was the direct result of this study, since an unsuccessful attempt to use existing measures of personality revealed the need for a Scale standardized in industry for industrial use.

Program for Good Selection

GOOD selection depends upon the competent evaluation of all the factors which contribute to adequate performance on the job. It is not enough to consider temperament alone. The individual's entire personality must be explored.

MINIMUM CONSIDERATIONS FOR ROUTINE JOBS

1. Background and training. (Application blank)
2. Testing in intelligence.
3. Testing in skill or aptitude. (Skill is ability to do the operations of the job well; aptitude, the ability to learn to do them.)
4. Testing in temperament. (The contribution of the Humm-Wadsworth Temperament Scale is that it provides a standardized means of measuring those characteristics of personality which have ordinarily been considered too intangible for measurements.)
5. Physical examination (by physician).

For important jobs, and some specialized jobs, the following is added.

6. Testing in interests.

Job standards vary for different companies, for different locations, for different kinds of work, and, sometimes, for different types of the same kind of work. As a result, standards for aptitude, skill, and intelligence should be set up in each company through job studies; and selection should be based on the job specifications obtained.

Selection should not be based on averages, but rather on the ability to meet

standards in *all* of these five (or six) considerations. It is obvious that a person who is "impossible" with regard to any one of these is one who will not make good on the job. It happens sometimes that an applicant who is very good with respect to all but one or two may compensate for some handicap in these; but the safest procedure is to consider an individual who is less than satisfactory in any as a doubtful or poor risk for employment.

Streamlining the Testing Program

THOROUGHNESS is one thing; expense in time and materials another. No selection program is practical, however thorough, unless it is also economical.

If careful preparations are made, a thorough selection program may be set up which will cost little or no more than the simple interview method. This can be partially effected by the use of group tests, (the Humm-Wadsworth Temperament Scale is a group test), since these permit the testing of many applicants at the same time.

A great saving in time may also be accomplished by pruning the application blank to absolute essentials. Such simple blanks may be reviewed in a minute or two, before testing, with the effect of rejecting the obviously "impossible" applicants. Another time-saver is proper routing. If the testing room is set up so that each test is sent to the scoring room as it is completed, it is possible to have all scores in the hands of the hiring officer within a few minutes after testing is finished. In this way the applicant can be hired or rejected on the spot without delay.

Still another saving in cost and effort can be made by giving physical examinations to those applicants only who have already passed all other tests.

Installing and Protecting the Program

OBVIOUSLY, a program such as we have outlined requires trained technicians. Its installation involves problems of organization and of administration. Its interpretation requires ability to handle tests in variable batteries, and ability to recognize and report the significant interrelationships obtained. As a result the Humm-Wadsworth Temperament Scale and most other psychological tests are sold only to organizations whose technicians have been trained. This is an assurance to management that the program will be effective.

In like manner a testing program is of value only if applicants have not had access to the tests upon which it is founded. Thus it is of particular importance to organizations that are investing time and money in the establishment of such a program to be assured that their tests will not be available to the general public. Accordingly, there is generally established a control of the distribution of tests.

The Selection of Key Men

ONE of the most pressing problems of industry is the selection of key men. Some results obtained by technicians using our methods are significant.

One large company selected foremen during an expansion program with 95% success.
One technician predicted the success of supervisors accurately in 172 cases out of 175.
One company selected 185 engineers. One year later 182 of them were still reported "Satisfactory."

Results such as these require exceptional care in evaluation. As a consequence we have set up procedures for key selection. These procedures are more thorough and more extensive than those used in the regular selection of employees. They include:

a. Careful consideration of training, background, and experience
b. Testing in intelligence
c. Testing in skills and aptitudes (extended)
d. Testing in temperament
e. Analysis of interest patterns
f. Special tests as needs of the job demand
g. For certain jobs a standardized technical interview.

These procedures may be administered by the company's technicians, if trained, or by our staff in our office or by mail.

The procedures used are in each instance dictated by the job specifications.

How the Temperament Scale Was Made

THE scientific background of the Temperament Scale is Rosanoff's summarization of 70 years of observation and research by some of the world's greatest students of personality. (Rosanoff, A. J., *Manual of Psychiatry*, sixth edition, John Wiley and Sons, New York, 1927.) The Scale was standardized by trying a large number of questions on seven pairs of carefully selected groups of subjects. Each pair of groups afforded a contrast for a single Component of Temperament. The contrasts are shown in the following tabulation:

CONTROL GROUPS USED IN STANDARDIZING THE HUMM-WADSWORTH TEMPERAMENT SCALE

Component	*Plus Group*	*Minus Groups*
"Normal"	Strongly "Normal" Subjects	State Hospital Patients
Hysteroid	Habitual criminals	Self-sacrificing persons
Manic	Excitable, emotional subjects	Subjects lacking manic traits
Depressive	Strongly depressive subjects	Subjects lacking depressive traits
Autistic	Shy, seclusive subjects	Subjects lacking autistic traits
Paranoid	Conceited, stubborn subjects	Subjects lacking paranoid traits
Epileptoid	Subjects given to Inspirations or to Complete Projects.	Subjects lacking epileptoid traits

After the worth of each question was determined, norms or standards of comparison were made on the basis of these groups. Thus a subject who "takes" the Humm-Wadsworth Temperament Scale is reported as to his similarity or lack of similarity to these seven pairs of groups of control subjects. If he is strongly "Normal," for example, he is more nearly like the Plus Normal Group in his responses than the Minus Normal Group.

The construction of the scale required three years of intensive research and it was not accepted as completed until unmistakable evidence of trustworthiness was produced.

The success of the Temperament Scale in industry is due both to its sound scientific basis and to the fact that it was especially designed to meet actual business conditions.

Components of Temperament

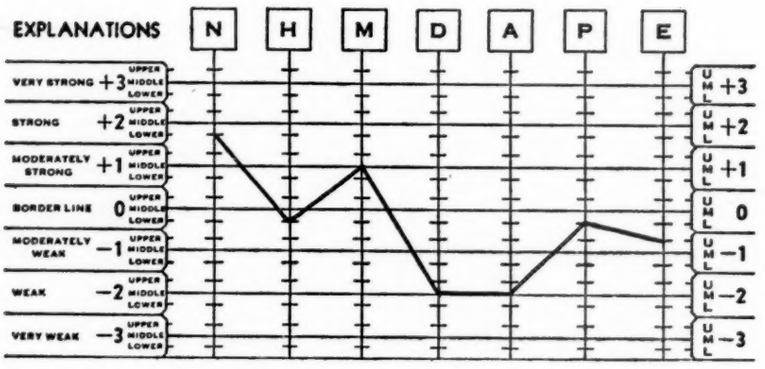
TEMPERAMENT traits tend to occur in groups clustering about certain important tendencies. These trait-groups are called components. Every individual has some amount of each. It is their varying proportions which make people differ.

SUMMARY OF COMPONENTS

Letter	*Name*	*Prime Tendency*	*Some associated traits*
N	"Normal"	Self-control	Nervous stability, self-improvement, inhibition, conservatism.
H	Hysteroid	Selfishness	Lack of compunction or consideration, criminal tendencies.
M	Manic	Excitement	Elation, drive, alertness, restlessness, cheerfulness.
D	Depressive	Depression	Sadness, worry, caution, retardation, "laziness."
A	Autistic	Day-dreams	Visual imagery, shyness, seclusiveness, sensitiveness.
P	Paranoid	Fixed Ideas	Suspicion, conceit, truculence, revenge, argumentativeness.
E	Epileptoid	Project-making	Meticulousness, single-mindedness, inspiration, ectasy.

These components are further explained in "Personality and Adjustment," a booklet prepared by us and available on request.

The above tabulation will serve as a reference to help in the understanding of the profiles which follow. The accuracy of these profiles has been verified by case studies. They give some examples of the predictive value of the Humm-Wadsworth Temperament Scale.



A. The Temperament of One Good Foreman

Intelligence—Superior (112 I.Q.). *Mechanical Skill*—Superior.

Unusual feature of this temperament is low Depressive.

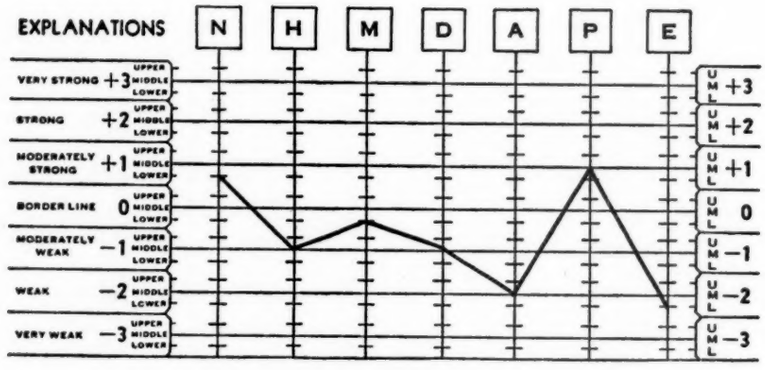
Asset Temperamental Tendencies: Self-mastery (N); cheerfulness, sociability, drive, alertness (M); self-interest (H); stability of opinion (P); and attention to details (E).

Liability Temperamental Tendencies: Somewhat deficient "Depressive," indicating possibly some lack of caution or presence of over-assurance.

Temperament appears to be that of a controlled, active, sociable, aggressive individual who tends to drive toward his objective strongly, without hesitation.

Good Foreman Risk—*Recommended.*

Case Report: Very good foreman.



B. Passable Worker—Poor Supervisor

Intelligence—Superior (117 I.Q.). *Draughting skill* reported very superior.

The unusual feature of this temperament is high Paranoid.

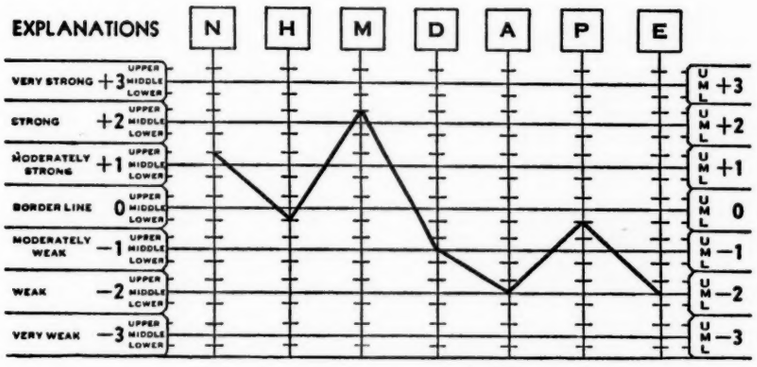
Asset Temperamental Tendencies Self-control (N); no deficiencies in any component of temperament.

Liability Temperamental Tendencies: Fixed ideas—possibly prejudice; argumentativeness, feelings of abuse, possibly bitterness and suspicion (P).

This temperament appears to be that of a hard-headed, stubborn individual, who has sufficient control to get along in a job in which he has few contacts with others; but who probably will not do well in guiding a group.

Poor Risk as Foreman—Not Recommended.

Case Report: Did well as draughtman but lost popularity when promoted to chief-draughtsman.



C. Profile of an Excellent Salesman

Intelligence—High Average (108 I.Q.). *Social habits* similar to good salesmen.

Unusual features of temperament—none.

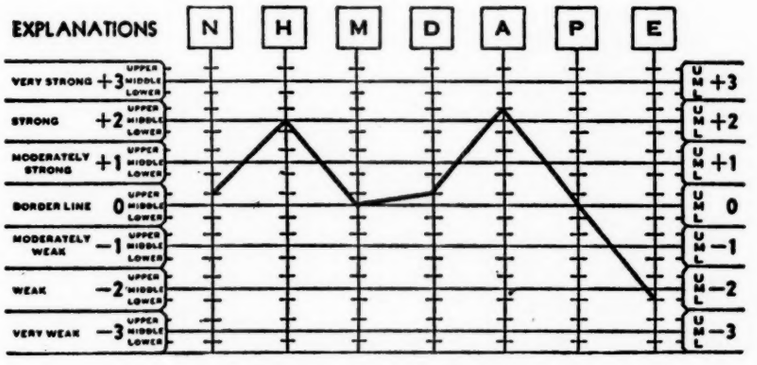
Asset Temperamental Tendencies: Self-control (N); strong self-interest (H); cheerfulness, drive, sociability, alertness (M); lack of strong sensitiveness (A); persistence of opinion (P).

Liability Temperamental Tendencies: Slight overselfishness (H) and stubbornness (P).

Temperament appears to be that of an active, alert, sociable, selfish individual who tends to drive somewhat stubbornly toward objectives.

Very Good Salesman Risk—Recommended.

Case Report: Did well at electrical selling, leading his division after six months.



D. Undesirable Type of Employee

Clerical applicant with Superior Intelligence (116 I.Q.). Inferior in clerical speed and superior in clerical accuracy.

Unusual features of temperament are strong antisocial tendency (H), and the seclusiveness, sensitiveness, and detachment from reality of the Autistic (A).

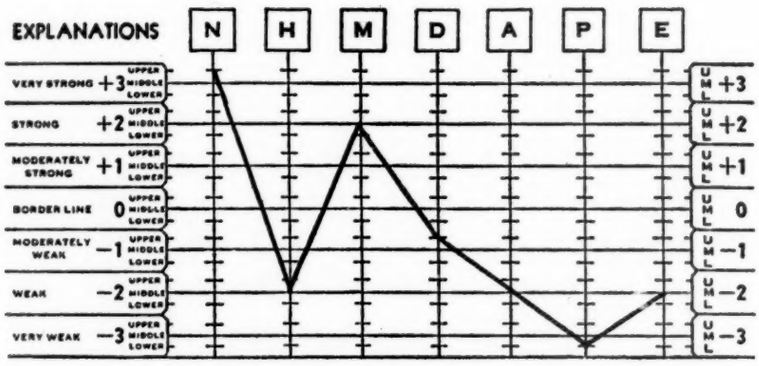
Asset Temperamental Tendencies: Strong self-preservation (H); visual imagery and imagination (A).

Liability Temperamental Tendencies: Ruthlessness and lack of compunction (H); detachment from reality and seclusiveness (A); lack of sufficient self-control (N).

The temperament picture is that of a seclusive, antisocial individual with high imagination, likely to lead to lying and trickery.

Very Poor Risk—Not Recommended.

Case Report: This man was discharged from previous employment for minor embezzlement.



E. An Over-Controlled Emotional Type

Clerical worker. Intelligence—Very Superior (134 I.Q.). Highly skilled in clerical work.

Unusual temperament feature is very strong self-control (N).

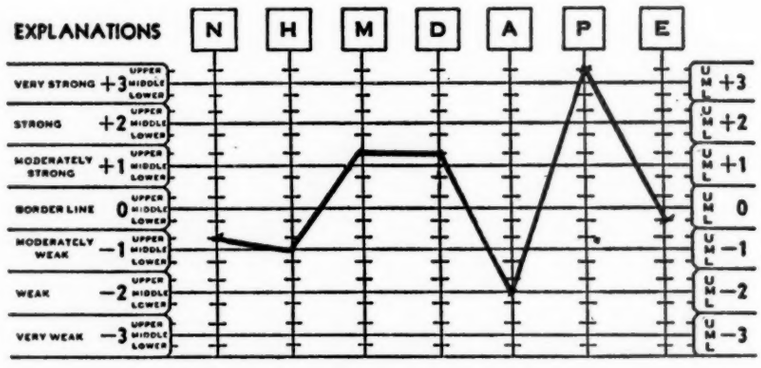
Asset Temperamental Tendencies: Self-mastery (N); fair-play (H); drive, sociability, alertness (M); adequate caution (D).

Liability Temperamental Tendencies: Over-control, inhibition (N); lack of fixed convictions (P).

This man holds himself in such tight rein as to seriously handicap his expressing himself. The inhibition of his socia tendencies may prevent him pushing forward. As a clerical worker, will be acceptable if given chance to use his intelligence.

Good Risk for Clerical Worker—Recommended.

Case Study Report: Good subaltern, but probably not supervisory material, since he will not use initiative.



F. Example of a Troublesome Sales Executive

Unusual features of this profile are insufficient control (N); and excessive stubbornness and bitterness (P).

Asset Temperamental Tendencies: Drive, alertness (M); aggressiveness, defense of ideas (P).

Liability Temperamental Tendencies: Lack of control (N); periods of depression with slow-up of activity (D); stubbornness, bitterness, feelings of abuse, truculence (P).

Temperamental picture is that of an aggressive, pushing man, who is likely to get into difficulties because of his touchiness and his tendency to react with unfriendliness when he feels abused.

Case Report (from superior officer): This man is as represented by the Scale. No point seems to be in error.

Hours Worked in War Industries: Machine Tools—52.5 per week; Machine Tool Accessories—53.2; Engines and Turbines—49.7; Firearms—49.

Good Labor Standards Increase Production

By William B. Smith
Wage and Hour and Public Contracts Divisions
U. S. Department of Labor
New York, N. Y.

Axis airplanes skywriting fascist tyranny over half the earth and United Nations' planes, symbols of freedom and democracy, highlight the course of this global war. Sensational land, sea and air battles tend to rivet our attention on the fighting fronts. But global warfare also accents the pressing need for all-out production— for ships, planes, guns, tanks and munitions in unheard of quantities.

So the Axis' military challenge has its industrial counterpart—the battle of production now being fought in factories and drafting rooms, in mills and mines and shipyards and along busy assembly lines. In short, the reverse of the victory medal which our troops are forging is the somewhat prosaic pattern of employer-employee relationships. It is a problem of men and machines, of work schedules and rates of pay. And here, too, the record is one of solid accomplishment.

Legislation Aids Labor-Management Co-operation

Without in any way detracting from the enlightened approach of labor and management, an approach that is well reflected in the smooth functioning of some 1800 joint labor-management committees representing 3,580,000 workers, it seems only fair to say that recent legislation has helped pave the way. Two important statutes that contributed to this result are the Fair Labor Standards Act, better known as the Federal Wage and Hour Law, and the Walsh-Healey Public Contracts Act. Both deal with labor standards.

Passed by Congress June 30, 1936, the Walsh-Healey Act applies generally to U. S. Government contracts for the manufacturing or furnishing of materials, sup-

plies, articles, and equipment above $10,000. This Act sets standards of minimum wages, overtime compensation, child labor and safety and health, and prohibits the employment of convict labor in the fulfillment of contracts subject to the Act.

Overtime Begins at 40

EFFECTIVE October 24, 1938, the Wage and Hour Law applies to employees engaged in interstate commerce or in the production of goods for interstate commerce. Unless specifically exempted by the Act, such employees must be paid not less than 30 cents an hour and not less than time and a half their regular rates of pay for all hours worked beyond 40 a week. There is, of course, no limitation on the number of hours employees may work, provided that "overtime begins at 40."

In addition, wage orders issued by the Administrator of the Wage and Hour Division have fixed wage minima ranging from 32½ to 40 cents an hour in some 50 industries. These wage orders are based on the recommendations of special industry committees appointed by the Administrator and equally representing employers and employees in the industry and the public. They meet around a table, study economic and competitive conditions in the industry, and recommend the highest wage up to 40 cents an hour which will not seriously curtail employment.

Nowadays, with Government purchases accounting for the lion's share of our industrial output, it is plain that most readers of PERSONNEL JOURNAL will find their operations covered by one or both of these laws. As a matter of fact some 450,000 establishments and more than 17,000,000 wage earners are subject to the Wage and Hour Law, and this number would include several million workers to whom the Walsh-Healey Act applies.

The minimum wages required under the Walsh-Healey Act are those which the Secretary of Labor has determined to be the prevailing minimum wage for specific industries in specific localities. So far such wage determinations have been made for some 56 industries with wage rates ranging from 30 to 70 cents an hour.

Basic straight-time hours of work under the Walsh-Healey Act are 8 in any one day or 40 in any one week. Overtime is permitted, of course, if time and one-half the basic rate is paid for all hours worked beyond the prescribed limits. For example, an employee whose total workweek consisted of four 10-hour days would be entitled to 8 hours at time and a half under the Walsh-Healey Act, but under the Wage and Hour Law, which makes the workweek its standard, he would not be entitled to such overtime since his hours of work in that week did not exceed 40.

Long Hours without Overtime Permitted

EMPLOYERS *who enter into certain collective bargaining agreements with their employees pursuant to provisions set forth in the Fair Labor Standards Act, may employ them up to 12 hours a day or 56 hours a week without the payment of time and a half for overtime.*

Heretofore the Walsh-Healey Act generally prohibited the employment of boys

under 16 and girls under 18 years of age. In order to facilitate the production of war materials, a recent exemption granted by the Secretary of Labor now permits the employment of girls between the ages of 16 and 18 years of age in any industry. However, these girls may not work more than 8 hours in any one day, nor between the hours of 10 p.m. and 6 a.m. And they are not to engage in dangerous or hazardous occupations.

Nowadays, with the toll of industrial accidents mounting, the safety and health features of the Walsh-Healey Act take on new importance. This Act requires that goods supplied on a Government contract be manufactured or handled under safe and sanitary working conditions. In locations where State laws establish safety and health standards, observance of such regulations will be taken as prima facie evidence that employers are in compliance with these provisions of the Walsh-Healey Act.

Safety and Health Requirements

THE principal hazards which inspectors will look for are these: fire hazards; unguarded cutting machines and unguarded power transmission machinery; faulty ventilation and illumination; insanitary shop, washroom and other facilities. A pamphlet recently issued by the Public Contracts Division entitled "Basic Safety and Health Requirements," tells employers what safeguards are required.

Admittedly these safety provisions will offer nothing new to many concerns, especially those that have engaged safety engineers and are carrying out advanced safety programs. But the hard fact is that a shocking number of employers still neglect even the most rudimentary precautions. According to estimates of the U. S. Bureau of Labor Statistics, in 1941 industrial accidents caused 19,200 deaths, 100,600 permanent impairments and 2,060,000 temporary disabilities. The time lost exceeded 42,000,000 man-days.

Not all of these accidents can be prevented, of course, but the huge total can be curtailed and so provide our vital industrial front with additional much-needed manpower.

The agencies charged with enforcing the Wage-Hour and Walsh-Healey Laws cooperated closely in the past. To further facilitate the work of administration and enforcement, the two agencies have been merged under an order of the Secretary of Labor. Now called the Wage and Hour and Public Contracts Divisions of the U. S. Department of Labor, the combined Divisions are directed by L. Metcalfe Walling, the present head of the Wage and Hour Division, who was also the first and only Administrator of the Public Contracts Division.

Flexibility of Acts

BOTH Acts have certain exemptions and exceptions which give them added flexibility. Congress in its year-long study of fair labor standards wisely decided

that most farming operations do not lend themselves to time-clock schedules—wind and weather and growing seasons are too variable. Therefore, the Wage and Hour Law specifically exempts from both its minimum wage and overtime provisions any employee engaged in "agriculture"—as defined, this term includes "farming in all its branches. . . ." Other provisions of the Act grant complete or partial exemption from the overtime provisions for employees engaged in certain processing operations on agricultural commodities.

Similarly the Walsh-Healey Act does not apply to contracts for "agricultural or farm products processed for first sale by the original producers." Nor does this Act apply to "perishables, including dairly, livestock, and nursery products"—thus exempting a long list of farm commodities needed by our armed forces.

Those Exempted

SECTION 13 (a) (1) of the Fair Labor Standards Act exempts from its wage and hour requirements any person employed in a "bona fide executive, administrative, professional, or local retailing capacity, or in the capacity of outside salesman," as these terms are defined and delimited by the Administrator in Chapter V, Title 29, Code of Federal Regulations, Part 541.

These regulations and other informative publications concerning the Walsh-Healey Act and the Fair Labor Standards Act are available without cost at all offices of the Wage and Hour and Public Contracts Divisions, including the National Office, Desk MSS, 165 West 46th Street, New York, N. Y.

In general, the Walsh-Healey Act does not apply to office and supervisory employees, to custodial employees or to certain maintenance workers. A foreman who does no manual work and has no direct physical contact with the goods furnished the Government will be exempt even if he occasionally lends a hand in the course of his purely supervisory duties.

Section 13 (a) (2) of the Fair Labor Standards Act exempts from both its minimum wage and overtime provisions any person "engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce."

Employers who are subject to any provision of either law must keep certain time and payroll records. No special forms are required—in fact every careful employer should have similar information regarding his labor costs.

Voluntary Compliance

THOUGH education and voluntary compliance have featured the administration of these two laws, both Acts have "teeth" in them. Penalty provisions of the Wage and Hour Law include for wilful violators fines up to $10,000, and, in the case of a second offense, imprisonment up to six months, a fine or both. Disabilities that may result from failure to comply with the Walsh-Healey Act include cancella-

tion of the contract, and, where flagrant violation is found, employers can be blacklisted from Federal contracts for a period of three years.

Apart from the fact that both management and supervisory employees should be familiar with these laws—since full compliance is good insurance—what significance have they for company heads and personnel officers? Especially nowadays, a great many concerns will find the wage minima established by these Acts much below the bottom scale prevailing in their plants. And they probably have union contracts that call for time and a half beyond 40 hours a week.

Nevertheless, there are still an estimated 7,500,000 wage earners who currently are paid less than 40 cents an hour. They are largely unorganized and all but about 1,500,000 lack even the modest protection of the Wage and Hour Law.

Workers Underpaid 22 Million Dollars

MOREOVER, despite the loose talk about "high wages," the record of Wage-Hour inspections since Pearl Harbor shows that some 488,000 employees in more than 25,000 establishments had failed to receive minimum wages and overtime compensation in accordance with the provisions of the Fair Labor Standards Act. As a result of this check-up restitution amounting to nearly $22,000,000 has been agreed upon. This sum represents the difference between the amounts due employees covered by the Act and what they actually were paid.

But decent labor standards do more than foster good employer-employee relationships, their importance goes beyond the weekly pay check. Higher standards for low-paid workers mean more than material improvement in their way of life. Wage increases are almost sure to bring new educational opportunities for these workers and their families. Wider horizons open to them, and these workers are better equipped to enter and enhance the life of their communities.

Not Mere Labor Laws

IN SHORT, the Wage and Hour Law and the Walsh-Healey Act are more than mere "labor laws," they are the workaday expression of democracy in action. Their aim is squarely in line with the broader purposes of our national philosophy—to secure for every American decent living standards and those hard-won freedoms that we are fighting to preserve. And looking beyond our own boundaries, we see this war as part of a long and continuing struggle to make this world a decent place to live in. Bitter experience has proved that this goal cannot be reached by undermining labor standards, here or anywhere else.

Today, with millions of women and other workers who are new to industry joining the production front, good labor standards take on especial importance. They make the task of supervisors and foremen easier by creating an atmosphere of good will. Nor should we forget that even in these unusual times decent labor standards help to remove one speculative element in business costs and place the

competitive emphasis where it belongs—on better production techniques and sound merchandising.

This stabilizing effect will be even more marked when the war is over and this country's intricate business and industrial structure swings back to peace time pursuits. We will need the safeguards that wise legislation has provided. We will need unity of purpose if living standards in the future are to match the enormous productive resources that will be at our disposal.

Relation to War Production

Just how this goal can be reached is a question for the future. Democracy will find its own answers on the political and economic fronts. But this much is certain —the path we follow must point to higher labor standards. No other approach points so surely toward the goal.

No discussion of these Acts should neglect the part that decent labor standards have played in the nation's war effort. Administrator Walling has taken up this point in a number of speeches and radio broadcasts.

"The great goal in America today must be to achieve maximum war production," Mr. Walling declared recently. "If the overtime provisions of the Fair Labor Standards Act interfere with this goal they should be eliminated at once. But there is no evidence whatever to indicate such a necessity. Let us see what the facts are.

"First off, war production has reached amazing totals, now well ahead of the Axis, and is still mounting. Moreover, neither the Wage and Hour Law nor the Walsh-Healey Act sets any limit on the number of hours employees may work—they simply set a pay scale for hours beyond 40 a week.

"This is amply demonstrated by a Department of Labor survey showing average hours worked by employees in war industries. For machine tools the figure is 52.5 hours per week, workers producing machine tool accessories put in 53.2 hours, in engines and turbines 49.7 hours, in fire arms 49 hours. The story is the same for a long list of key industries.

When the Heat Is On

And remember, these are *average* figures," Mr. Walling said. "They do not show the dangerously long hours, often running beyond 70 a week, that groups of workers put in when 'the heat is on.' Moreover, the reported average weekly hours cover all wage-earners on the payroll for any part of the pay period—thus hiding such factors as labor turnover and absenteeism which cause the reported hours worked (the average hours) to be at least two hours less than scheduled hours.

"So it is entirely proper to say that the average workweek for employees in America's war industries is 48 hours—not 40, as some would have us believe. Over-

time payments, which by the way, amount to only about 5 per cent of total payrolls in manufacturing industries, certainly have not hampered war production.

"Industrial progress is a matter of men and machines," the Administrator said. "Today all of us, management, labor and Government are pretty well agreed that improved labor standards point the way to improved production. Our industrial progress and advanced living standards offer abundant proof of this fact. The free people of this free nation can and will produce the tools of victory and we shall preserve our way of life in doing so."

There is a Grave Danger that We May be in for Labor Conscription. This Would be Highly Undesirable as a National Measure. Mr. Murray Seems to Realize that it May Be Necessary in Some Critical Situations, and Sets Forth the Conditions Under Which the CIO Would Agree to It.

CIO's View *of* Labor Conscription

Letter sent to Paul McNutt

By Philip Murray

President, CIO
Washington, D. C.

The recent Executive Order of the President of the United States dealing with the subject matter of manpower confers very extensive and all-embracing powers upon you as the Chairman of the War Manpower Commission. Labor has a very vital interest in achieving the fullest mobilization of manpower. This goal can be attained only through a program which will assure the highest degree of efficiency and morale for the workmen who produce the munitions of war.

The recent Convention of the Congress of Industrial Organizations addressed itself to this all-embracing question. I now desire to submit to you the basic elements of our program which seeks to effectuate a total mobilization of our resources by protecting existing standards achieved through bona fide collective bargaining.

Material and Labor Should Be Correlated

If there is to be a maximum mobilization of available manpower resources, there must be a complete correlation of the activities of those agencies which have jurisdiction over procurement, the issuance of contracts and disposition of raw materials with those of the Manpower Commission.

It would be futile to continue the haphazard method of having the contracting agency issue contracts so as to create crises in manpower, and then seek to utilize the Manpower Commission solely as a fire department squad to meet those continuing crises.

Contracts and available material must be correlated with the manpower require-

ments and supply. Total mobilization cannot be restricted to manpower but must embrace mobilization of material resources as well. The recent Executive Order imposes upon you both the responsibility and authority to achieve this goal.

All available manpower, such as Negroes, all racial groups, and women, must be utilized. We must have an end to the utterances of pious hopes in regard to this policy and enter a field of action whereby employers will be compelled to accept this available manpower. Complete equality of opportunity for employment must be made available to all workers and under the basic principle of equal pay for equal work.

Critical Plants and Areas

INDIVIDUAL plants or areas may have to be designated as critical with restrictions to be imposed upon the right of workers to leave work. Adequate protection must therefore be afforded to the workers as follows:

All the plants to be covered should be investigated and certified as complying with (1) the health and safety requirements; (2) the wages, hours and working conditions prevailing in the area or industry, as determined through bona fide collective bargaining; (3) requirements for adequate training facilities; and (4) requirements for the maximum utilization of the available manpower in the plant.

Employes in the designated plants or areas should, of course, be permitted to leave their present employ for the purpose of seeking employment elsewhere if the employe is doing so to (1) obtain a higher skilled job; (2) obtain full time employment whereas he is only partially employed at present; (3) meet certain compelling personal reasons; and (4) obtain employment at a plant closer to the employe's residence, thereby eliminating unnecessary travel.

Wage Guarantees

AN EMPLOYE in one of the designated plants or areas should be guaranteed that as long as he is ready, able and willing to do the work and reports for work, he should receive a minimum weekly wage equal to his average hourly earnings for 40 hours. Where an industry or a plant has been requested to operate on a longer work week, the employes therein employed should be guaranteed a minimum weekly wage based upon such longer work week with premium pay in accordance with outstanding collective bargaining agreements, statutes and the President's Executive Order 9240.

Transfer of Workers

IT IS recognized that to meet some critical situations employes may have to be transferred to plants which have a serious shortage of available manpower. Where transfers are to be made, the following safeguards are essential.

Wherever possible transfers of employes from one plant to another should be made within the locality before employes are brought from another region.

Employes who are thus transferred should be paid their traveling expenses plus special allowances incurred with the moving and for family dependents.

Employes should not be transferred to any plant unless such plant has been investigated and certified that it has met the requirements as designated above. In addition, the transfer should not be authorized until representatives of the Manpower Commission have investigated and certified that there are available adequate health, housing and child care facilities for such transferred employes.

The employes, when transferred, should receive the rate which had prevailed for their new job prior to the transfer with an additional guarantee that they will receive earnings on their new job at least equal to those which they enjoyed on the job from which they are transferred. The rates for their new job need not be changed, but the employer should be obliged where necessary, to provide supplemental payments to make up the employe's earnings, so that he shall not suffer.

All employes transferred should be guaranteed that when they are able to return to their old job, they shall be entitled to do so on the basis of their cumulative seniority and all their rights and privileges provided for under the collective bargaining agreements covering the place of their original employment, as if they had been there continuously at work.

Labor Voice on Draft

THE Selective Service Division has been made a part of the Manpower Commission. The problem of which men should be drafted for the services as against those who should be left at work in the essential industries at an essential job becomes an exceedingly important and critical one. Labor insists that it be given an opportunity to participate within the plants in this determination.

At the present time the sole responsibility for making recommendations from the plant as to which occupations are essential is left entire to management. The Labor-Management-Production committees in the various plants could be utilized most effectively to assist in this task.

Importance of U. S. Employment Service

THE U. S. Employment Service, under the enlarged powers of the War Manpower Commission, plays a most important role. This agency requires a very enlarged appropriation so as to make available for it the highest caliber of personnel. In addition, the fullest participation of labor is essential in all phases of activity of the U. S. Employment Service. Adequate machinery must be assured for appeals that may be taken by individual employes or their unions from decisions of the local offices of the U. S. Employment Service so as to assure a fair and swift adjudication of all problems that may arise.

National Standards

THE present situation of separate state unemployment compensation statutes with diverse standards cannot possibly meet the needs for a national mobilization of manpower. For this reason, there must be established national minimum standards pertaining to unemployment compensation and which will assure a protection to the workers of their rights thereunder when they transfer from one job to another or from one state to another.

The program which is thus offered is designated solely to assure the fullest mobilization of our manpower resources. We merely seek the program which will meet the needs of our nation by assuring the maximum production of war materials. This can be done only through the protection and maintenance of the health and morale of American workers.

The CIO is very happy to have the opportunity of cooperating with your Commission through the Labor-Management Committee and will continue to make additional suggestions from time to time through such Committee, consistent with our mutual objective to obtain the fullest utilization of our manpower resources.

Book Reviews

Book Review Editor, Mr. Everett Van Every
California Personnel Management Association, Berkeley, Calif.

HOW TO TRAIN WORKERS FOR WAR INDUSTRIES

Edited by Alvin E. Dodd and James O. Rice. New York. Harper & Brothers. 1942. 260 pp. $3.00

Reviewed by Book Review Editor

Before this war is over—and for a long time after—we may come to look upon job training as a most important winning factor. The time may not be far away when American industry will awaken to a new understanding and realization of the place of training in a more vigorous production effort. Some authorities have indicated that we may expect "a new training era" in personnel work after we have reached the bottom of the manpower barrel. After we can no longer reach out and grab more workers we will then find it necessary to make better use of the men we still have.

There is nothing original about this book. Much of the material is taken from the personnel studies and conference reports of the American Management Association. Channing Dooley and Walter Dietz write the fore-word with men like Gates, Click, Mogensen, William F. Patterson, Rupkey, Wonderlic and others whom all personnel managers would recognize, contributing the various chapters of the book. Although the work is not a new approach to training, it is one of the best source books we have seen on the subject. The editors appear to have simplified the broad field of job training; and certainly they have given us all the best that has been said and written on training in recent years.

The early chapters of the book are devoted to the principles of learning. There are four well-established principles of learning which are used to good advantage in an excellent chapter on Developing the Training Program.

Training is always stressed as a never-ending process—most training men like to emphasize that point. The best classic example of its importance, however, seems to be in Gilbreth's suggestion that every employee be responsible for doing one job, learning another and teaching a third. This indicates a successful way of making training continuous.

Chapter III on the Application of Training Principles is a case history of the Wright Aeronautical Corporation and a complete description of this company's training policies, programs and experiences. Other cases of special merit are those of the Sperry Gyroscope Company and the Bethlehem Steel Company. In the chapter on Case Studies in Supervisory Training frequent reference is made to the outstanding programs of the General Electric Company, General Motors, Eastman Kodak Company, The Commonwealth Edison Company and others.

The Carnegie-Illinois Steel Corporation, for instance, has employed practically every known technique of supervisory training in its various plants. The conference

method, the individual guidance system, lectures and discussions, monographs and discussions, supervisory manuals, motion pictures, sound-slide films, policy instruction . . . all these devices are effectively employed and described in this volume together with the success of other companies.

Training in methods, motion economy and simplification work have always been a worry in plant programs, but the chapter on Training in Work Simplification is an excellent description of the actual operation of these training plans, with many simple programs discussed. Other topics worthy of special mention in this book are the chapters on Selection of Trainees, Induction of Trainees, How to Use Women in War Industries and Worker Training & Job Families. The bibliography of selected references is extensive and exceptionally well chosen.

If we must eke out a critical tone let it be that if the book were double its size, it would be worth that much more to all of us,—and we certainly would have liked to read on. This is a valuable book to anyone concerned with wartime job training.

MOTION STUDY FOR THE SUPERVISOR

By Norman R. Bailey. New York. McGraw-Hill Company. 1942. 111 pp. $1.25

Reviewed by Book Review Editor

"Deliver us from methods and motion study schemes," a personnel executive declared to me recently when I asked him what he was doing to make these matters clear and acceptable to supervisors. "Don't want any part of them. My men will go 'wacky' if we make their work any more complex."

Here was my opening. For weeks I had been carrying this little book around trying to ferret out some personnel manager on whom "to try it out." I finally persuaded him to look at the book, but immediately I met a barrage of objections: supervisors have no time for motion study; too complicated; only confuses and distracts from their main job, and ad infinitum. Now I know what is meant by too many purchasing agents in personnel jobs.

Since I was making no headway with the "personnel" manager, I approached several foremen and supervisors. After all, this book was written for them. It is prepared at their level, simply and pointedly. If they have had a rather hazy conception of what motion study is all about, here is a chance to get a direct close-up of the whole subject, brief enough to read quickly. After the foremen had read the book, numerous lively discussions arose including questions about terms and practices that could or could not be adopted in their own departments. Then came the time to talk about the book.

The best explanation of the value of the work came from a supervisor who said he had always thought of motion study and methods work as efficiency schemes to speed-up workers, and that he had never thought of it in terms of finding the simplest and best way to do a job. He was impressed with the fact that the book did not

attempt to make a motion study man out of him, nor did the author expect supervisors to make their own motion-study observations.

This little volume gives the foreman and the supervisor a practical approach to motion-study in analyzing the operations they supervise. The essential bases of good time and motion work are clearly and adequately explained, and a simple method for timing, analysis, and combining work elements are attractively presented for the working fellow who has to get out the day's work. The book is not an exhaustive study of motion study, but rather only as much of motion economy that supervisors should know to do a competent job of management.

In the second chapter on The First Degree of Analysis the author tells us that motion study is nothing more than common sense expressed in written rules and principles, so that there may be a meeting ground for those interested in reducing or eliminating wasted effort. He emphasizes that the best feature of the book's form of study is that it develops ways and means of reducing the cost of labor, *not* by increasing the output at the expense of increased effort, but by increasing output through eliminating wasted effort by effective planning, layout and improved methods. Foremen and supervisors can understand this; it makes sense to them, and the competent personnel manager doesn't have to be sold a complicated program to agree with the foremen.